

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

**In the Matter of**

**Schools and Libraries Universal  
Service Support Mechanism**

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**CC Docket No. 02-6**

**Reply Comments of  
Siemens Enterprise Networks**

Siemens Enterprise Networks respectfully submits these comments in response to the Federal Communications Commission's Notice of Proposed Rulemaking (NPRM) in the above-captioned docket.<sup>1</sup> Siemens has partnered with many of the neediest school districts to build the Internet connections so vital to enhance a child's educational development.

We are pleased to be able to actively participate in the e-rate program process and applaud the FCC for its desire to look at ways to streamline and improve the program. Siemens comments focus on the applications process, voice mail eligibility, choice of payment method, upgrading equipment and the issue of unused funds.

**I. Applications Process**

The Commission states that one of the goals of this inquiry is "to streamline and improve the program."<sup>2</sup> The Commission seeks comments on the establishment of a computerized list accessible online from which applicants could select products and services as part of the FCC Form 471 process. Siemens supports the efforts of the NPRM in enhancing and simplifying the application process, but would encourage the investigation of other methodologies.

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<sup>1</sup> Schools and Libraries Universal Service Support Mechanism, CC Dkt. No. 02-6, Notice of Proposed Rulemaking and Order, FCC 02-8, (rel. January, 25, 2002) ("NPRM")

<sup>2</sup> *Notice of Proposed Rule Making and Order In the Matter of Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6 (2002), p. 7

While an online approach is feasible as a procurement vehicle where vendors, products and services are pre-screened, it is not a practical approach for the E-Rate program because of the increase in administrative costs, duplicity of process, decreased local decision making, and the potential of decreased flexibility in the program. It appears to Siemens that such a list may increase administrative costs, and thus undercut the goals of the NPRM. The Schools and Libraries Division (SLD) would need to establish another unit solely to review pre-approved products and services. As technology evolves, the SLD would need to dedicate staff to review new products on a continual basis, thus adding to the administrative costs of the program.

Such a list would be duplicative of the process from a bidding prospective at the local level. Also, the pre-approved list can be viewed as narrowing the selections for local decision-makers, and thus decreasing local input in the decision-making process.

Finally, such a process may decrease the flexibility of the program. One can foresee cases where pre-approved products may not be readily available in a given geographic area. Also, situations could arise wherein the pre-approved products and services are not adequate or able to meet the educational and technological goals of the applicants.

For the above reasons, Siemens would encourage the investigation of other methodologies to foster the goals of enhancing and simplifying the application process in lieu of an approved list of products and services.

## **II. Review of Voice Mail Eligibility**

The Commission seeks comment on whether a change in voice mail eligibility would improve the program or otherwise serve the goals of this inquiry. Siemens fully supports such a review, and believes that voice mail should be made eligible. Voice mail is a necessary component to the transportation of information to the classroom. Voice mail and messaging servers are a cost-effective method of exchanging information between the classroom, faculty, and administrators. Additionally, Siemens supports including Voice Messaging in the internal connections eligible list. From a cost perspective, it is less expensive for a district or a building to purchase the equipment rather than have it provided as a telecommunications service. The typical return on investment is eighteen months. Schools and libraries should be given this flexibility.

## **III. Choice of Payment Method**

Siemens requests that the ten day period be increased to thirty days for remittance of payments to schools and libraries who have opted to use the Billed Entity Applicant

Reimbursement (BEAR) process. In some cases, schools have not provided the necessary notification to the service provider, and in larger organizations, the remittance process may be lengthy. A longer remittance period takes these factors into account.

The Commission seeks comment on enforcement procedures relating to the remittal of BEAR payments. Siemens suggests that a service provider should be given a warning if it has failed to remit payments within the appropriate time limit. Additional occurrences should be subject to appropriate recourse.

#### **IV. Upgrading Equipment**

On the question of equipment upgrades, Siemens supports the proposition that schools and libraries must make significant use of the discount equipment they receive before seeking to substitute new discounted equipment.

Along these lines, Siemens would recommend an approach that would be more equitable than the current system. Siemens suggests two possible solutions to this issue. First, Siemens would support a formula based on technology funds-per-student distributed as an additional factor to take into account when making funding decisions. Second, Siemens suggest that the (SLD) consider restrictions or limitations on funding for a school district if they have received funds for purchases for a period of three consecutive years. This would not apply to the funding of maintenance contracts for equipment acquired in the previous years, particularly when the school district is in the 90% band.

#### **V. Unused Funds**

The Commission seeks comment on administrative modifications to the schools and libraries universal service support mechanism. Siemens is opposed to any option that would modify the rule to expressly require that unused from the schools and libraries mechanism (beginning with Funding Year 2) should be credited back to contributors through reductions in the contribution factor. Siemens supports the position that the rules should be modified to enable the SLD to increase the annual cap of the E-Rate program that would fund services and connections that the program was intended for.

Siemens strongly supports disbursing unused funds in subsequent funding years to schools and libraries in order to provide additional resources for applicants, particularly for much needed Priority Two internal connections. This would enable the SLD to address the needs of more schools and libraries in light of the increasing demand.

Siemens is pleased to provide these comments and looks forward to helping to build on the success of the E-Rate program.

Respectfully Submitted,

**Siemens Enterprise Networks**

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